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DEPARTMENT OF THE NAVY
NORFOLK NAVAL SHIPYARD
PORTSMOUTH, VIRGINIA 23709-5000

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22 DEC 1995

Mr. Mark K. Stephens
U.S. EPA - Region III
Office of Superfund
VA/WVA Federal Facility (3HW71)
841 Chestnut Street
Philadelphia, PA 19107

Re: NORFOLK NAVAL SHIPYARD INSTALLATION RESTORATION PROGRAM

Dear Mr. Stephens:

As a member of the Restoration Advisory Board (RAB) for the Norfolk Naval Shipyard Installation Restoration (IR) Program you have previously received information, and may have attended meetings, concerning several sites at the shipyard which are included in the Department of Defense (DoD) Installation Restoration Program. These are sites where, historically, industrial wastes which are now of potential environmental concern had been deposited consistent with standard industrial practices of years past. The purpose of the DoD IR program is to investigate these sites at DoD installations nationwide (including the shipyard) to determine if remediation is required, and remediate where necessary to meet current environmental standards. In 1994 the shipyard established a RAB to provide for participation by community representatives and regulatory bodies in the decision making process for the our IR sites. You may have noted that RAB activities in recent months have been minimal. I want to appraise you of some recent developments that are causing this to happen, and which are expected to impact the shipyard's future IR efforts.

Our current status is that the Phase I Remedial Investigation/Feasibility Study/Risk Assessment (RI/FS/RA) for the shipyard's IR sites was forwarded to RAB members on April 10, 1995. This document had indicated that some additional data was needed in order to complete this part of the IR Program. To accomplish this, Phase II RI/FS/RA work plans were developed and these plans were sent out to RAB members on May 30, 1995. Unfortunately, further work on the Phase II work plan is currently being delayed as a result of two important developments since the plan was forwarded to you in May.

First, further review of historical information has indicated that some revision of the work plans for Operable Units 1, 2, and 4 may be needed to address concerns that some of the contaminants existing at these sites may actually have originated from sources other than industrial practices at the Norfolk Naval Shipyard. While such revisions require time, effort, and money, accomplishing them would normally be just a matter of spending the necessary money and pressing on to get the work done. Unfortunately, our ability to proceed with this work is severely hampered by a second major development, which I will discuss below.

The second development, which is of far greater significance to the shipyard's IR sites, concerns funding of the IR Program. The program's activities are funded through the Defense Environmental Restoration Account (DERA). All branches of the Department of Defense receive their DERA funding from the U.S. Congress, and the Congress has severely curtailed DERA funding starting with fiscal year 1996. The Atlantic Division of the Naval Facilities Engineering Command, as Navy manager of the shipyard's IR Program, has projected funding cuts averaging 41% through the year 2001.

Funding cuts of this magnitude necessitate that some hard decisions be made regarding which projects get funding and which do not. To help guide these decisions the Navy has adopted a policy that funding priority will go to activities where there is an established "legal requirement" to remediate. That is, funding priority will go to activities where the Navy and a regulatory authority (e.g., EPA) have agreed that the activity's IR site(s) exhibit serious enough conditions to be considered a national or state priority, and where specific deadlines have been established for actions to be accomplished. Since Norfolk Naval Shipyard's IR sites do not meet these criteria, it is expected that the Navy's limited DERA funding will be directed toward other higher priority locations rather than toward Norfolk Naval Shipyard. The Navy's current plans for dealing with these cutbacks call for the shipyard's IR program to be essentially dormant for FY1996, with a resumption of activity in FY1997.

The good news is that the shipyard's sites are not viewed as presenting a significant enough risk to human health and the environment to warrant mandatory action in the near term. While we sincerely desire to complete all appropriate actions at the shipyard's IR sites, the projected nonavailability of funding means that it is difficult for us to predict when the next action can occur.

Since you were interested enough to volunteer your time to serve as a member of our RAB, I felt I owed it to you to advise you of this situation. We will continue to explore all available options in an effort to secure funding for IR projects at the shipyard. As progress is made, I will keep you informed.

If you have any questions concerning the shipyard's IR program, please contact Mr. John B. Lancaster, Jr., of my staff at (804) 396-7231, ext. 164.

Sincerely,

P. M. HOST
Director, Environmental Programs Division
By direction of
the Shipyard Commander

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